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Sales and Marketing MANAGEMENT

TRADE SHOW LEADS
The Big Payoff

COMPUTERS
Hewlett-Packard's Competitive Edge

HIRING & FIRING
On the Firing Line

BOOK EXCERPT
Wagons Ho! Pioneering New Products

WHAT MARKETERS NEED TO KNOW

Sales and Marketing MANAGEMENT

Established 1918

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Cover:
In today's climate of corporate mergers, takeovers, and leveraged buyouts, the question for the average sales executive is not "Who are we selling *to*?" but "Who are we selling *for*?"

Cover illustration: Frank Sargenti

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ABP ABC MPA

S&MM salesgraph

Industrial marketers: Call off the funeral

Industrial marketers can count on 1987 marking the fifth straight year of rising manufacturing industry shipments, according to the U.S. Commerce Dept.'s annual *1987 Industrial Outlook* report. Despite the dirges being tolled for manufacturing, 70% of the 219 industries covered in the report will produce more this year (in real terms) than last year, the highest percentage since 1978. All told, the report adds, the median value of industry shipments this year will rise 2%, comfortably better than the long-term 1.3% growth for the 1972–87 period. That means marketers selling to businesses can expect bigger orders this year.

The healthy manufacturing forecast stems partly from the Commerce Dept.'s robust 1987 economic forecast. The *Outlook* predicts a 4.2% surge in real GNP, significantly stronger than the 3.7% projection contained in the President's budget. Private economists, as polled by the *Blue Chip Economic Indicators* newsletter, see a more modest 2.5% uptick.

At $24, the 690-page report is a bargain for medium- and small-size companies, providing a wealth of statistics and interpretative profiles of 350 individual industries that bigger companies pay researchers thousands of dollars to gather. The report also contains the names and phone numbers of the department's industry experts who can be tapped for help.

1987's 10 best. . .

SIC	Industry	1987 Shipments ($ Bil.)	% Increase 1986-87
3674	Semiconductor devices	$35.962	+26.5%
3675	Electronic capacitors	1.638	+11.5
3832	Optical devices & lenses	6.514	+11.0
3693	X-ray apparatus	5.577	+10.9
3825	Elect. measure. devices	7.109	+10.0
3465	Automotive stampings	17.760	+ 9.4
3842	Surgical appliances	8.180	+ 8.8
2891	Adhesives & sealants	4.265	+ 8.3
2492	Particleboard	.995	+ 8.2
3761	Missiles & space vehicles	16.232	+ 8.0

and 10 worst

SIC	Industry	1987 Shipments (Bil. $)	% Decline 1986-87
3511	Turbine generator sets	$ .385	−62.4%
3541	Metal-cutting machines	2.722	−13.2
2661	Bldg. paper/board mills	.450	−10.0
3441	Fab. structural metals	8.160	− 8.0
3544	Special dies/tools/jigs	6.517	− 7.5
2793	Photoengraving	.139	− 7.3
3711	Vehicles & car bodies	93.904	− 7.1
3944	Games & toys	3.737	− 6.6
3542	Metal-forming machines	1.124	− 6.3
3149	Footwear, n.e.c.	.478	− 6.1

SIC: Standard Industrial Classification
n.e.c.: Not elsewhere classified
Note: Shipments and percent changes in terms of constant (1982) dollars
Source: U. S. Commerce Dept., International Trade Administration, *1987 Industrial Outlook: Prospects for Over 350 Industries*

Forecasting

Amperif tolerates no surprises

If there's anything worse than a no-sale at Amperif, a Chatsworth, CA, manufacturer of data storage systems for mainframe computers, it's an unexpected sale. A salesperson there can get in just as much trouble for a sale that wasn't forecast as he can for not saying he's going to lose a sale.

The unforecasted sale throws a curve in projections and skews the company's five-year plan, the heartbeat of its operations, says Amperif management. The plan, which details everything from market conditions to projected sales, inventory, production, shipping dates, and cash flow, is analyzed on a daily basis, reviewed monthly, revised quarterly, and rewritten annually.

Over the past three years, the company has come within 3% of its objectives. Revenues—$38 million this year, up from $23 million in 1985—have grown by 70% over the past two years, and Amperif COO Donald Orr projects sales of $175 million by 1990.

The realization of this goal, says Orr, will be determined by the company's basic operating rule—no surprises—which is why sales progress is closely monitored and unanticipated sales are frowned upon. Unfortunately, says Orr, forecasting is a weak area for most new sales hires.

Amperif's Zinsli (l.) and Orr (r.) flank CEO Keith Tattersall.